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GROWTH OF TENANT-
FARMING IN ILLINOIS

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THE GROWTH OF TENANT- FARMING IN ILLINOIS

[By Charles Leslie Stewart, Research
Assistant in Economics.]

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Folder, privately printed,
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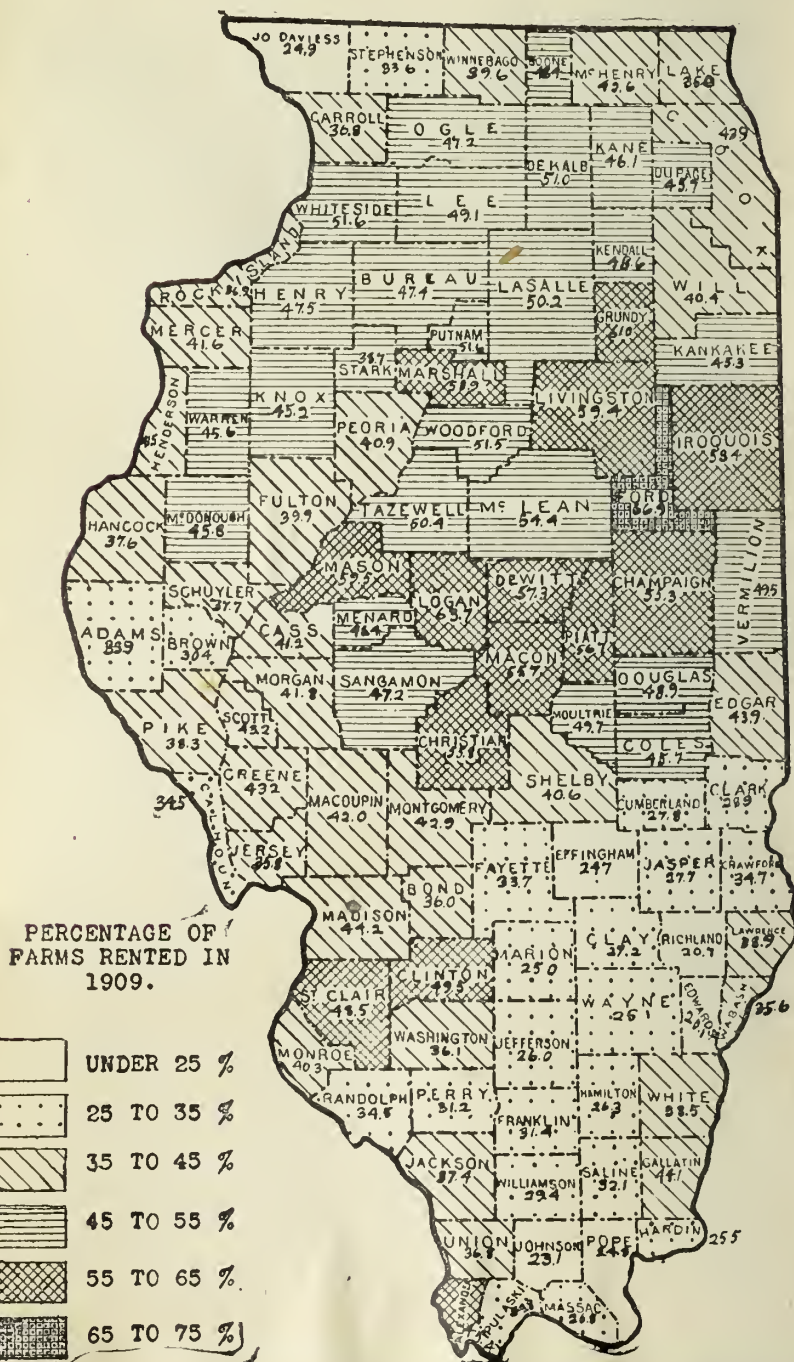
Four articles, from the Corn-Belter page
of Illinois dailies, as follows:

- I. Champaign News, 2/4/13.
- II. Canton News, 2/10/13.
- III. Canton News, 2/24/13.
- IV. Bloomington Bulletin, 3/9/13.

The Nation's Record State For White Tenants

A Record That Should Make Us Wake Up

ILLINOIS.



Percentage of increase, 1880 to 1910, in the average value of land and buildings per acre in five Illinois counties: Champaign, 551; Douglas, 514; Ford, 545; Moultrie, 596; Platt, 518.

Facts You May or May Not Know

In Illinois Tenant-Farming is Most Prevalent

- (a) Where the largest proportion of land is under plow cultivation.
- (b) Where the natural fertility of the soil is the greatest, and where the value of products has been rising the fastest.
- (c) Where the land prices are highest, and have been climbing most rapidly.
- (d) Where the farms have averaged the largest in size, and the growth in size has been the most striking.
- (e) Where rents are very high, and the average landlord's rental income is the largest in the state.

In East Central Illinois, where the above conditions prevail, and where, therefore, tenant-farming is most predominant, we find the following to be true:

- (a) The proportion of land in corn has been abnormally high, and between 1879 and 1909 increasingly so.
- (b) Cattle are more conspicuous for their absence than in any other part of the state.
- (c) The value of buildings per acre is below that of Northern and Western Illinois.
- (d) The decline in farm population between 1900 and 1910 was more widespread and heavier than in most other sections of the state.
- (e) The rate of increase in the town and city population from 1900 to 1910 was above the average for the rest of the state.

Some Pertinent Questions

Is not farm ownership in most parts of Illinois getting too far separated from the reach of the average frugal and industrious tenant?

If so, is it due in any degree to over-valuation of the land?

Would a tax on the "water" in land prices (urban as well as rural) be justified by the benefits that should accrue?

If the loss to individual landlords from inferior farming by their tenants becomes larger and more apparent, will not destructive tenant-farming perish at its own hands?

Is Mr. Roosevelt justified in his opinion that "steps must be taken at once to put a stop to the tendency towards absentee landlordism and tenant farming"?

Some Illinois Figures That Do Not Lie

DATE	FARMS RUN BY		PERCENTAGES		Illinois' Rank in Tenancy Among States Outside the Negro Belt
	OWNERS	TENANTS	OWNERS	TENANTS	
1880	175,497	80,244	68.6	31.4	First
1890	158,848	81,833	66.0	34.0	First
1900	158,503	103,698	60.0	39.3	First
1910	145,107	104,379	57.6	41.4	First

Prepared by C. L. Stewart, University of Illinois

THE GROWTH OF TENANT-FARMING IN ILLINOIS

Remarkable Increase in the Number of
Farms Tenants in the Last
Thirty Years.

The renting of farm lands is a widespread practice in the United States. In our eastern states, it has been at a low ebb, however, during the last thirty years. In the western states outside of the cotton belt tenancy has long been below the average for the whole country, but in recent years has been increasing with great rapidity. In the southern states tenant-farming is very prevalent, great numbers of negroes renting lands on which their fathers worked as slaves. In the north central states tenant-farming has been for years above the national average, and has been increasing regularly. One of the most typical of the north central states is our own commonwealth of Illinois.

Over 100,000 Tenants in 1910.

In 1880 there were 80,244 tenant farms in Illinois, a figure far exceeding that of any other state in the union. However, owing to the large number of farms operated by owners, 175,497, the proportion of tenant farms was only 314 per 1,000. This ratio was exceeded in several states, all but one of which were located in the south. In 1890 there were 16,549 fewer owners operating their land and 1,589 more tenants than ten years before, so that 340 out of every 1,000 operators were renters. During the nineties the number of operating owners decreased 347, while the number of tenants increased 21,865, raising the proportion of tenants per 1,000 farmers to 393. From 1900 to 1910 the number of owning operators decreased 13,296, while the number of tenants increased 681. In 1910 there were 104,379 tenants and 145,107 owning operators in Illinois, the proportion of renters in every 1,000 farmers being 414. Contrasted with 314, the ratio per 1,000 in 1880, the proportion of tenant operators increased about 32

per cent in 30 years.

It will be noted that the greatest increase in tenancy took place during the nineties and was caused partially by a reduction in the number of operating owners, but chiefly by an increase of nearly 22,000 in the number of tenants. This implies that farms were being cut down in size, and that many of them were turned over to tenants for cultivation.

During the eighties and also during the period 1900-1910 the whole number of farms was not increasing, but there was a sharp decline in the number of farms run by owners, the tenants being left in more complete possession of the farming of the state. Thus, while the number of tenants may be said to have been only slightly greater

in 1910 than in 1900, the number of operating owners was 13,000 less, causing a considerable increase in the extent of tenant control over farm operations in the state. This increase, however, is not so great as that which took place during either of the two preceding decades, and lends some support to the contention that the growth of farm tenancy is slackening. However, in nearly all of the Illinois counties the proportion of farms run by renters was higher in 1910 than at any previous time in their history.

Share Renting Predominating.

Of the eighty thousand tenants in 1880 nearly three-fourths were share renters and the remaining 25.7 per cent paid cash rent. By 1910 the number of cash tenants had increased so much that they constituted 25.6 per cent of the tenant operators. The increase of 12.7 per cent which had taken place in the number of share renters was therefore, accompanied by an increase of 80 per cent in the number of cash renters.

Tenants Scarce in "Egypt," But Out-number Owners in Prairie Counties.

It is improbable that the proportion of tenant farms was ever uniform in all parts of Illinois. The counties along the Mississippi river in most instances had fewer than 25 per cent of their farms rented in 1880, but since then the percentage has risen to about 45. The same thing is true of most of the counties along the Wabash river and of the more heavily timbered counties along the lower hundred miles of the Illinois river. The counties of "Egypt" which do not border on the Mississippi or Wabash rivers have regularly held the Illinois record for scarcity of tenancy, their usual proportion of tenant farms being close to 20 per cent. The counties where tenant-farming has been the most prevalent are located in the old prairie land of the corn belt. The counties of this district that are south and east of the Illinois river had attained tenancy per centages averaging between 45 and 50 as early as 1880. They have since undergone a consid-

erable increase in tenancy, the percentages being now around 60. The prairie counties west and north of the Illinois river stood relatively low in the proportion of tenant farms in 1880, but have had very rapid increases and are now only a few points behind the more centrally located prairie counties. The counties of the so-called dairy belt, in the northern and north-eastern part of the state, had very few tenants in 1880, but underwent such rapid increases that their tenancy proportions in 1910 were above the state average.

While the last generation has seen little change in the amount of tenant farming in the southern Illinois districts, there has been a decided growth in tenancy in nearly every other part of the state. In a general way this growth may be said to have been more prominent the farther north one goes in the state. In the counties near the Wisconsin line the relative increase in the proportion of farms run by tenants averages close to 100 per cent.

ARTICLE II.—Why Farms Are Rented, and Why the Amount of Renting is Variable.

According to the United States census, about one hundred and four thousand tenants and one hundred and forty-five thousand owners were operating Illinois farms in 1910. This means that twenty-four thousand more tenants and thirty thousand fewer owners were farming in Illinois in 1910 than in 1880. The number of farms operated by managers in 1880 is not known, though shown by the thirteenth census to be 2,386 in 1910.

Why We Have Landlords.

Among those who must usually be landlords, if owners at all, are women and children, because as a rule their inexperience or immaturity unfits them for operating farms. Owners of land in exceedingly large tracts, or in tracts located in widely separated districts, frequently find that it pays them best to rent some and operate the rest of their soil, or rent all of it and devote their time to other interests. The difficulty of securing good hands and working girls makes farming hard for many owners when advancing age increases their dependence upon hired labor. Younger tenants with rising children can meet the labor situation with better results. In some cases city financiers have land thrown upon their hands by the foreclosure of mortgages. Like other city men who purchase land, they may be either conservative or speculative investors. Of the two types the conservative investor is most likely to consider engaging a manager for his land, or even may attempt its operation himself. The speculative buyer, however, seldom goes to the expense of installing the manager system and prefers short-lease tenants. When the

investors are corporations, such as where the values have made the most coal, railway, gas or oil companies, the striking advances.

and it cultivated at all, must be run The fact that tenants operate the either by managers or tenants. larger part of the most productive

Perhaps the most numerous class land in the state is no indication that of landlords is made up of those who tenant operation is good for the soil. seek retirement from farm operation. The land is not highly productive be- Many owners leave the farm so that cause of being rented, but is rented the children may start operating the because it is highly productive. The home place. It frequently happens larger return to cultivation in the that the parents move to town so that more productive districts makes them the children may be at home with more attractive to tenants and enables them while launching into their owners of moderately sized farms to school, business or society careers. derive a fair income without having But parental considerations are of- personally to conduct the operations. ten of no more importance than the The high prices asked for lands in desire to get away from the objec- the more productive sections of the tionable features of rural life, and to state make it more difficult for land- get easier access to the institutions less tenants to become owners in those and facilities of the city. sections. It is known, however, that

A special case arises from the at- attachment of landowners' children to the professional, business or social life of the cities. This is doubtless made more significant by the retirement of the parents with their families to the city. Upon the parent's decease, some if not all of the estate is likely to pass into the hands of tenants. In such cases, however, it is not unusual for one of the heirs to rent the share of the others, and to operate the estate as a unit long after its ownership has been divided. owners of land even in the high priced regions prefer to remain tenants and to invest their capital in the improvement of their operating equipment. On the other hand, the competition for rentable farms in many localities keeps the level of rents so high that the tenant's margin is not very large.

Timber and Tenancy.

Tenant-farming is controlled somewhat by the extent to which the land is covered with timber. Too much timber on a farm, when grain-raising is the most profitable, reduces the productivity of the farm and thus reduces the chances that it will be rented. When an owner has cleared his land by years of hard labor, his attachment to it is likely to be strong, and may prevent him from renting it out as readily as he might a farm which required little improvement at his hands. Thus it might be that the settlers of the open prairie lands turned them over to tenant cultivators more generally than did those who hewed for themselves a homestead in the woodland.

Effect of Soil on Tenancy.

The figures for the last four census dates show that on each occasion the largest proportion of the farms were rented where the productiveness of the land was the greatest. Since the market value of the land is closely related to its productiveness, one may say that the amount of renting in a district depends upon the value of the land, being prominent where the values are high and less in evidence where they are low. Increases in the market and productive values of land in Illinois have been accompanied by increases in the amount of tenant-farming, the number of tenants climbing most rapidly, as a rule,

Tenancy and Large Farms.

In the high-priced prairie land, grain-farming has made large farms preferable to small ones. In the past, small farming in this belt has not returned as good a profit on the investment as has farming on the larger scale. Thus landless farmers with little capital could not buy farms of

the standard size as easily there as in other sections where the land was cheaper and the most profitable farming unit a smaller one. In the richer sections, moreover, many owners possess several farms, and could hardly operate all of their land if at all inclined toward personal operation.

On the one hand the prairie land has high-priced farms, which, owing to the competition among tenants, pay good rent to the owners, but leave the tenants a margin of profits none too

large. On the other hand there are not a few owners of large landed possessions—many of them city investors and most of them renting out much of their land. Between the two factors the amount of tenancy in the central counties of Illinois has been forced into a prominence scarcely equaled anywhere else in the northern and western states.

The relation of these conditions to public welfare will be discussed in the next article.

ARTICLE III.—The Relation of Tenant Farming to Public Welfare.

Theodore Roosevelt in his "Confession of Faith" referred to tenant farming in a very emphatic way. He said that "steps should be taken at once to put a stop to the tendency towards absentee landlordism and tenant farming," holding this to be "one of the most imperative duties confronting the nation." This feeling that farm tenancy has become so prevalent as to threaten the public good is one shared by many and is deserving of careful consideration.

The number of tenant farms in Illinois in 1910 was over two-thirds as large as the number of farms operated by their owners, although in 1880 the tenants numbered only about half as many as the owning operators. The tenants have been the most prevalent where the value of the products raised has been the greatest for the average acre of land, and where this value has been increasing with the greatest rapidity. Land values are highest in the same districts, and the size of the average farm is the largest there.

Good Tenant Farming.

Tenant farming, in many cases, results from the effort of an individual or family to retain permanent possession of a farm. When a prospective heir is made the tenant of a farm which is to be his own later we can expect him to do his best to improve the place and to establish a permanent influence in the community. When

an estate is divided among a number of heirs one of whom farms it by renting from the others, the operator becomes a sort of representative of the family, and as such is interested in the improvement of the place and in the life of the community. In such cases there is a strong likelihood that the tenants consult the owners on all important questions of farm policy. Such closeness of understanding is often to be found when no such kinship or heirship ties exist, the landlord and tenant co-operating in outlining the scheme of cultivation. Such relations usually imply that the owners have a permanent interest in their farms, and so the object of the planning is not the robbery, but the conservation of the soil.

From the standpoint of the tenants, farm renting is often a good thing. Running a rented farm is usually more profitable than hiring out by the month, and in some cases may be as profitable as having one's capital invested in land. Tenancy is for many farmers a stepping stone from working out to owning a farm, and it should perhaps continue to be such for as large a proportion of the frugal and industrious as succeed to independent incomes in other industries. In some instances, to be sure, tenancy is a step downward from farm ownership. During the last 15 years, however, vastly more Illinois tenants have risen from lower

standings than have descended from higher ones. To what extent the rise of tenants in the economic scale has been due to soil robbery is difficult to determine. In many cases the tenants have run the farms as well as the owners would probably have done. In other cases, however, the tenants have drained the fertility from the land in their efforts to glean for themselves the largest profits.

Undoubtedly the opportunity to rent out to tenants is a fortunate thing for many elderly land owners. Having braved the hardships of pioneer days and having devoted some years to the improvement of agriculture, they deserve to spend the evening hours of life in quiet retirement. All retired farmers, however, cannot lay claim to such heroism. During the last decade, at least, the number has not been small of those who have done little to better the agriculture of the state. Some retire in the prime of life merely to secure a longer period of leisure. The removal to the city often brings influences to bear upon the family which work against their greatest usefulness. All landlords, to be sure, cannot be classed as former farmers, but to them the owning and renting out of farm land is largely a matter of plain business opportunity. That which is good pay from the financial side is sometimes injurious to the property, however, and may have a bad effect upon the surrounding community. The meat of the man may be the poison of the people.

Bad Tenant Farming.

For tenant farming has bad points as well as good ones. Most of the evils of tenancy in Illinois arise from two things, the weak attachment of owners to the land, and the brief association of tenants with particular farms. An owner who is wise and at the same time intends to improve and keep his land as a permanent factor in his business will try to prevent bad farming by the tenant and, if possible, to build up the productiveness of the land. If the owner is unwise, it is perhaps as well for the farm and the community that the farm be operated by a tenant as it would be if it were run by the owner. However, among the shrewdest owners are many who have no plans for holding and im-

proving the land. These owners spend little for improvements which will not immediately enhance the selling price of the land, they choose to have tenants on one-year leases and they require the highest rent that can be got. Thus, expectation of temporary possession by the owner makes short leases necessary. In other cases where unsound farming notions are held by the owners, or where the character of the tenants is unknown to owners, the latter insist upon leases for short periods. The tenants prefer short leases when they have doubts about the character of the owners from whom they rent, and when they do not have a farming policy which covers more than a year. In general, yearly leases should be employed to a much less extent. If a farming policy would conserve the productiveness of the land it must include more than a single year.

The presence of a large proportion of tenants in a community undoubtedly affects the business, school, church and social life of that vicinity. Tenants, being as a rule less wealthy than the owners, cannot do as much toward stimulating business as the owners might do. The average country child in Illinois has only about half as much spent on its education each year as the city child. A part of the negligence of the rural schools of which this inequality is a partial expression can be traced to the growth of absentee landlordism. The tenants often fear to ask too much in the way of school tax for fear they will have to seek residence in another school district. As for churches, the shifting of rural population fills many communities with persons whose denomination has no organization there, and who have little chance to develop the deep friendship and associations which give vitality to church life. Church finances must naturally suffer from the displacement of the better-to-do land owners by tenants struggling to get an economic foothold. The social life of the country in general has suffered from the changing membership of communities, and this condition is largely traceable to our present system of tenant farming.

The concluding article of this series will treat of probable future developments of the tenant problem.

ARTICLE IV.

Some Predictions About the Probable Future of Tenant Farming.

Will tenant farming continue to grow in Illinois? Is one of our most interesting questions. While it cannot be answered with full assurance, the experience of the last generation surely throws some light upon the probable future trend.

The increase of population during the last 30 years has been much greater than the increase in the amount of farm land. This factor, together with others, has caused the prices of farm products to rise, and has thus contributed to the phenomenal rise in land prices which has marked the last dozen or more years. The rising value of a farm's productions means a larger rental income to the owner even though he rents for the same share of the produce. But the competition among tenants in many localities has caused their share of the produce to be so reduced that their profits are not extremely large. Thus it has been a paying proposition for owners to refrain from selling, and the buying of high-priced lands has become more and more difficult for tenants. This development bids fair to continue for some time yet, and an increase in tenancy may be expected to accompany the growing control over farm land by well-to-do owners.

The Effect of Speculation.

Speculators have foreseen that the prices of Illinois lands were bound to rise and have caused the land in many places to be priced at a higher figure than was warranted by the existing opportunities for profiting from the operation of the land. In such cases farm operations do not pay the landlord a very large return on the market value of his land, even though the tenant pays him a good rent. This over-valuation does still more to place the ownership out of the reach of tenants. Thus tenancy not only thrives on land held by speculators, but is increased on other land whose price is inflated because of their activity.

Proposed Checks on Speculation.

If speculation in land is a prominent figure of rural life in the future it will surely bring down upon it attempts at prevention by statute. Perhaps the most radical measure that has been suggested for this purpose is the "single-tax," which would tax out all increase in the value of land (urban as well as rural) which the growth of the consuming population

and the improvement of the community, rather than the efforts of the owner, can be shown to have produced. Less radical than this would be a tax of a fifth or sixth of the publicly earned part of this increase, the levy to be made when the property changes owners and the proceeds to be devoted to improving streets, roads and schools in the immediate vicinity. Such a tax would penalize land speculation, would be a relief to those who own land for what its cultivation yields, and would make possible a number of improvements needed in most rural communities.

The Effect of Cheaper Credit.

Reform in farm credit would influence the present situation in several respects. If the farmers could borrow money at, say, 4 per cent, as their security usually justifies, more tenants than at present would probably seek to buy farms in the richer sections. Those who can own land would keep the prices at the highest point, the owners would be less inclined to sell and the tenants would have to pay more for farms. Thus cheaper credit, while it would enable both tenant and owning operators to improve their farming equipment, would not readjust the ownership so as to favor those farmers who are new without land of their own.

Conditions Controlling Tenancy.

As between different sections of the state one or more of the following conditions mark the places where tenancy is prominent: (1) Small expense of farm production. (2) Large productiveness of the soil. (3) High prices for the products raised, or (4) high prices for the land. When the decline in the expense of production or the increase in the other factors is more striking in one district than in others, the chances are that the prominence of that district in tenancy will be increased.

In general we should expect the following factors to increase the amount of tenant-farming in the states: (1) A decrease in the expense of farming. (2) A nation-wide decline in the supply of farm produce as compared with the population. (3) An increase in the price of farm products. (4) A rise in the price of land. These influences, however, will not in all cases tend to increase the amount of tenant farming. These owners who are cramped

by debt are held more firmly to the operation of their land by the conditions mentioned, while changes of exactly the opposite type would loosen their grip upon their farms. If compelled to part with their land these farmers will probably join the ranks of tenants, while the new owners will probably be absentee landlords.

A nation-wide decline in the total of farm produce may never be experienced for more than a season or two so long as new land is being put under cultivation. However, a reduction below the maximum yield due to exhaustion of the soil, or a limitation in the amount of land suited to certain crops, may have the same effect. That is, the exhaustion of land limited in quantity, as corn land, for instance, may tend to raise the value of the smaller yield to a higher figure than that which a larger yield would bring. But the individual farmer, by increasing the size of his own harvest, may profit from the smaller productions on other farms. This situation affects tenancy in two opposing ways. Poor farming, by raising prices, makes it possible for more farms to provide rents large enough to support the

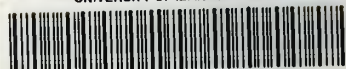
owners in retirement. On the other hand, poor farming by itself, through raising the premium on sound farming by others, tends to attract owners from renting to those tenants who follow unsound farming methods. As the difference in profit between sound and unsound farming becomes more apparent, the importance of this check on bad tenant farming will increase. Good tenancy implies that the owners and tenants have long association with the same farms, and from it neither the farm, the community nor the public need expect harm.

The legislature, the exponents of better farming methods, and the land owners must decide the question whether good tenancy will displace bad farming, whether operation by owners will displace bad tenancy, or whether unsound farming by both types of cultivators will continue to predominate in our agriculture. If legislators, farmers and educators do their parts wisely and patriotically the tenancy question in Illinois need never become acute, but the failure of either group to do its duty may put the general welfare in danger.

[By Charles Leslie Stewart, Research
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